

March 6, 2008

Barbara McNutt
Chief Counsel
Indiana Professional Licensing Agency

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Dear Ms. McNutt:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Professional Licensing Agency ("IPLA") and contained in LSA Document 07-881, which makes changes and clarification to 876 IAC 3-5 regarding the amount of continuing education hours needed to renew a real estate appraiser license expiring June 30, 2008. The rule changes clarify that the six month extension of license validity, due to an administrative change in the expiration date, does not reduce the amount of continuing education hours required, but rather establishes the requirements on a pro-rated basis. The rule also amends 876 IAC 3-5 to comply with the Financial Institutions Recovery, Reform, and Enforcement Act of 1989 [12 U.S.C. 3331-3351], ("Title XI"). The rule does not increase the continuing education hours required for a real estate appraiser's license, but rather clarifies how the required hours are calculated.

Indiana does not collect the data necessary to specify which real estate appraisal businesses are classified as small businesses. However, the following classes of individual real estate appraisers must satisfy continuing education requirements and would be subject to the rule changes. Many of these individuals may operate as small businesses.

- Appraiser Trainees: 76
- Licensed Real Estate Appraisers: 817
- Certified Residential Appraisers: 1,033
- Certified General Appraisers: 689

As noted above, this rule does not increase continuing education requirements for real estate appraisers. Due to changes in the expiration date for real estate appraisal licenses, real estate licenses for current licensees will be valid for an extra six months. This will apply only to the current renewal period. However, the Appraisal Subcommittee (a federal regulatory entity) has stated that Indiana must ensure that we pro-rate the continuing education hours of our appraisers. Therefore, any appraiser renewing their license in 2008 would have 35 hours of continuing education. These 35 hours would reflect the standard 28 hours from the two year license cycle plus seven hours due to the six month license extension.

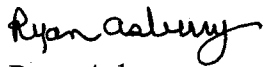
The cost for an individual appraiser to obtain seven hours of continuing education is \$112. However, this is not a new cost relative to the current cost structure since these seven hours do not represent net new continuing education requirements. Any

administrative costs associated with documenting that the seven continuing education hours have been obtained is expected to be minor.

The IEDC does not object to the economic impact to small businesses contained in the proposed rule changes. The rule changes do not increase the number continuing education hours (and therefore the cost) required for a real estate appraiser's license, but rather clarify how the required hours are calculated.

If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,



Ryan Asberry
Assistant Vice President
Indiana Economic Development Corporation